



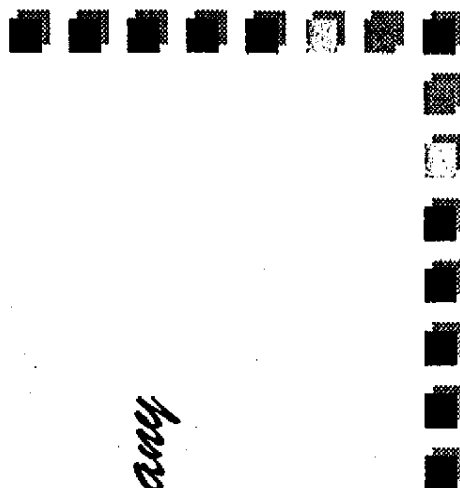
Amerada Hess Corporation

1997 Business Review

Presented by

R. J. Reynolds Tobacco Company

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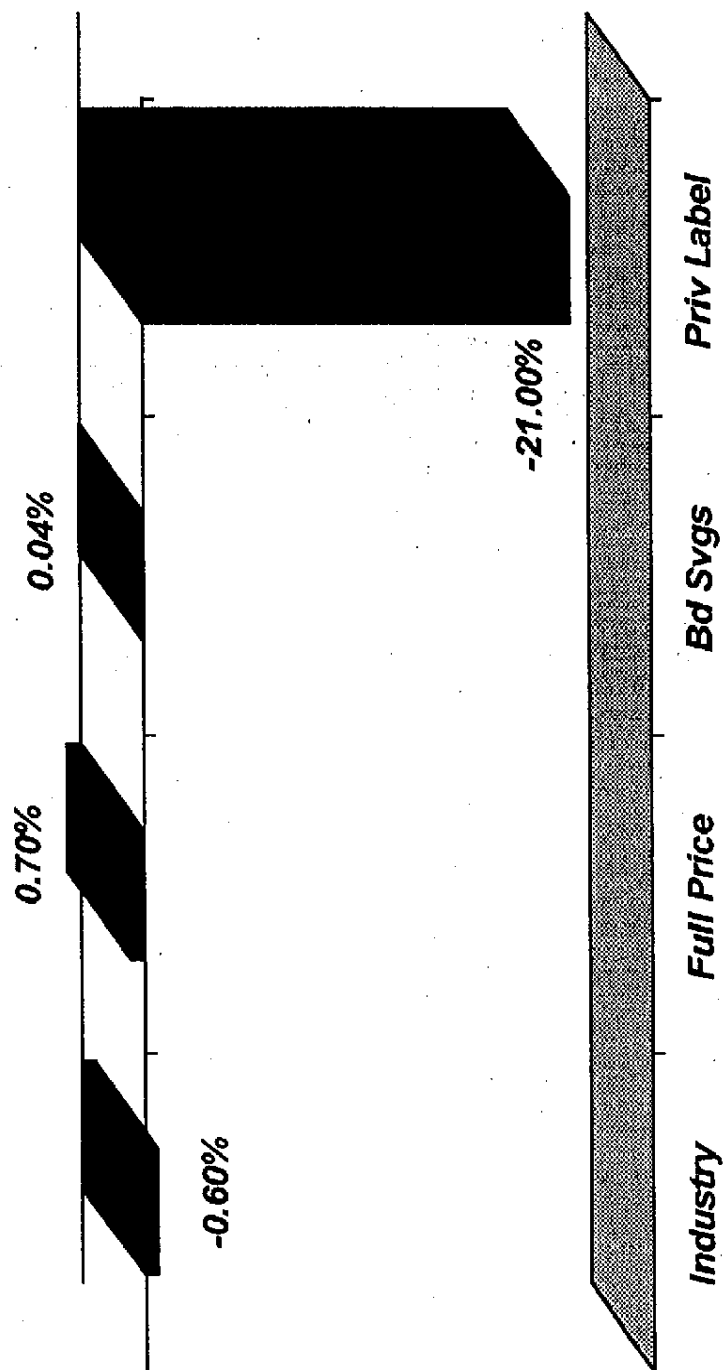


Amerada Hess Corporation 1997 Business Review

- *Cigarette Industry Performance 1997*
- *Category Performance 1995-1997*
- *Division Performance*
- *Manufacturer Share Performance*
- *Retail Program Review*
- *Business Recommendations 1998*

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Cigarette Industry Performance 1997 Vs 1996



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Cigarette Industry Performance

Price Segments 1997

Branded Svgs

23.10%

Private Label

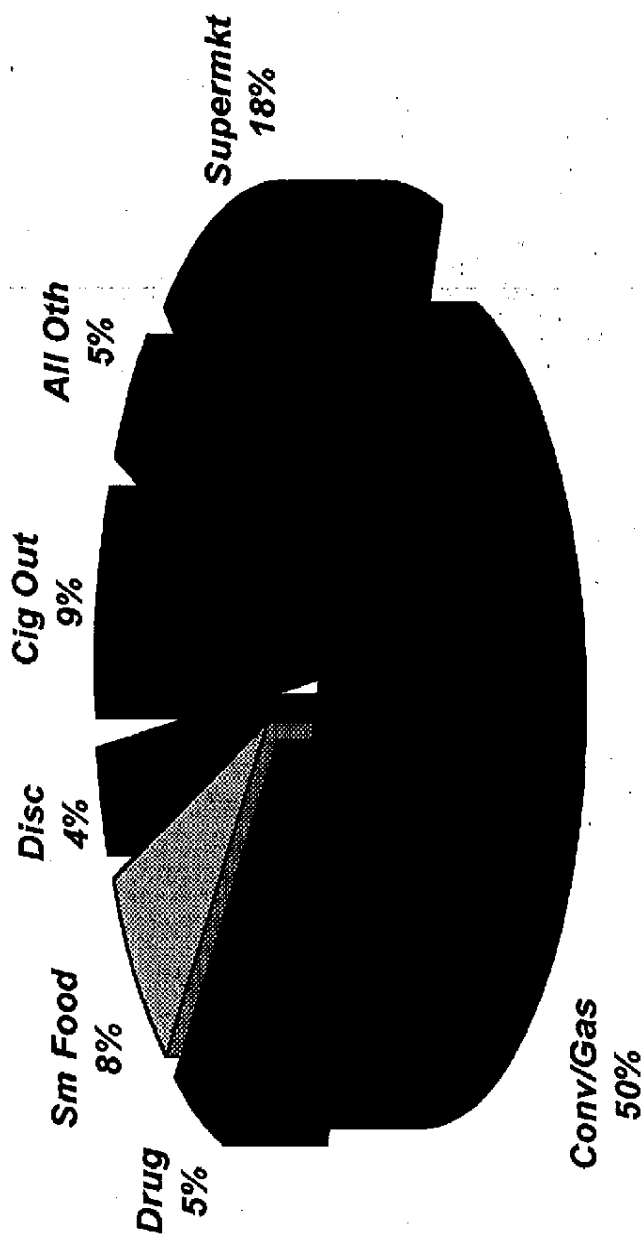
4.35%

72.55%

Full Price

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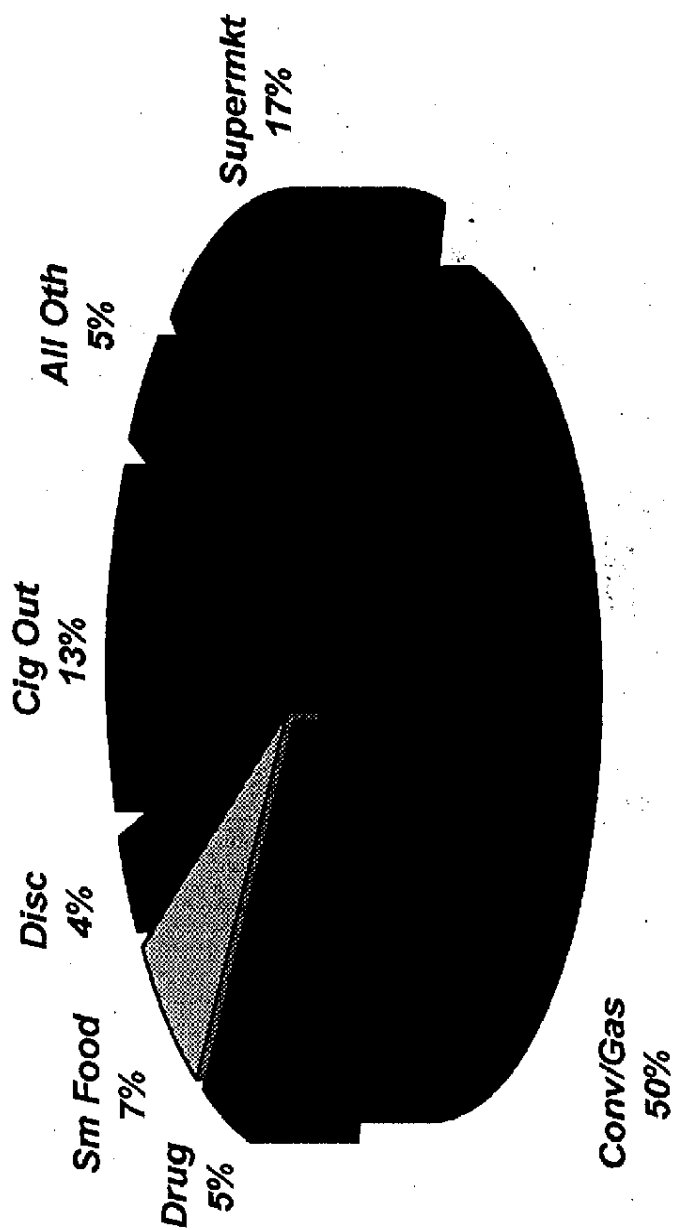
Cigarette Retail Dollar Sales Percent of Total U.S. - 1997 \$



■ Cigarettes produce BIG sales dollars for each retail segment.

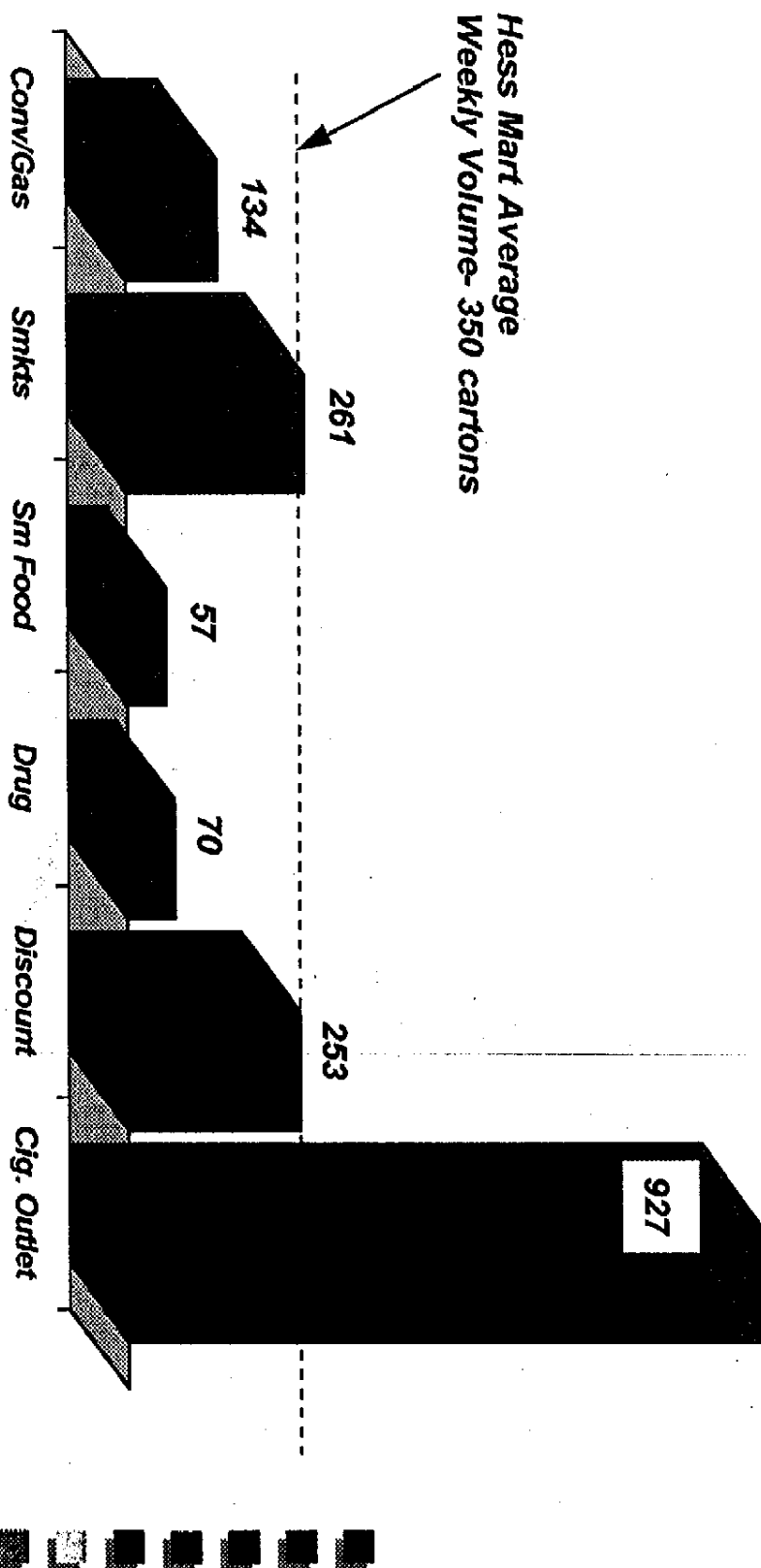
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"Where Consumers Purchase"
Percent of U.S. Volume - 1997



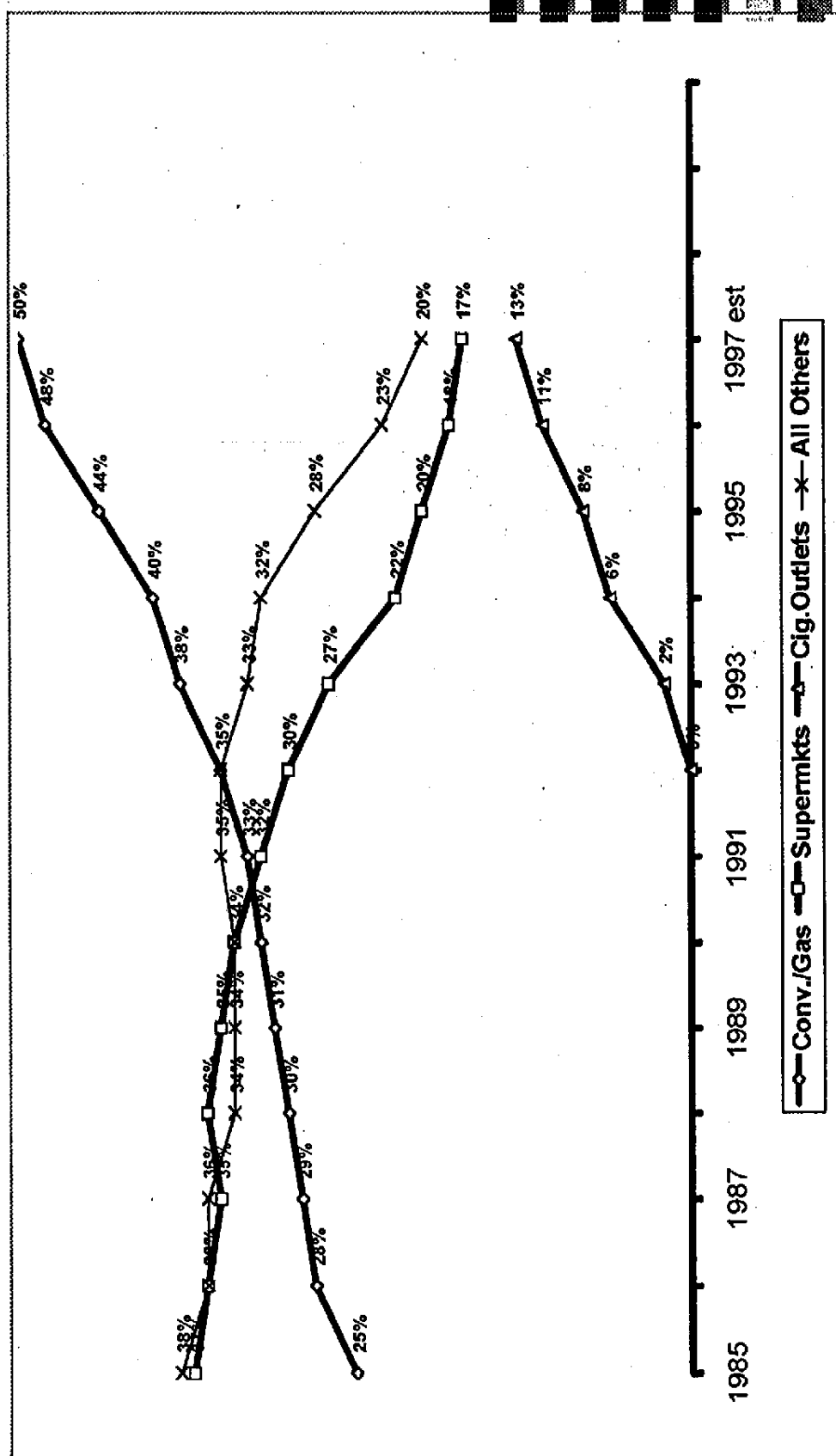
51842 9532

Total U.S. By Major Trade Class - 1997
Average Weekly Carton Volume / Per Store



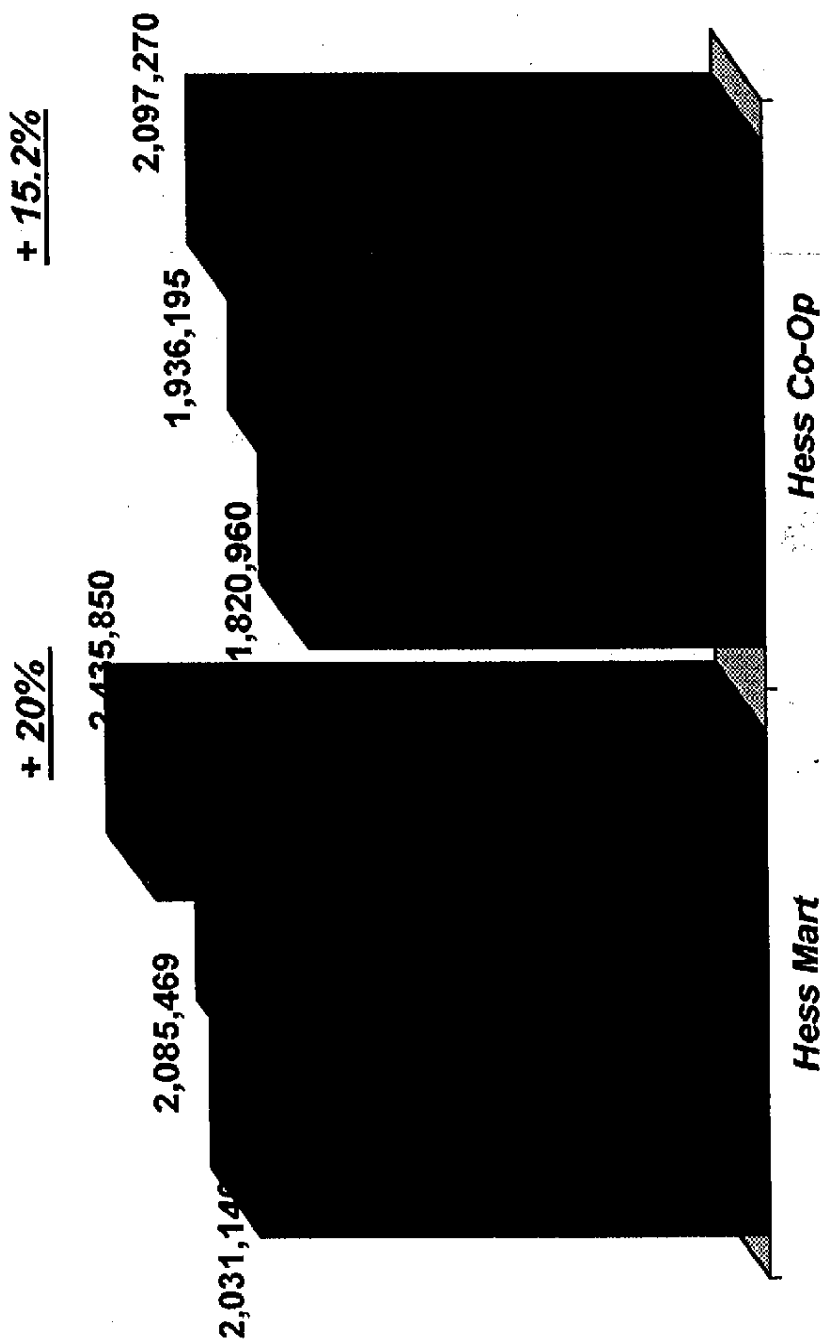
3356 24815

Total U.S. Share of Cigarette Industry Volume Major Trade Class Trends



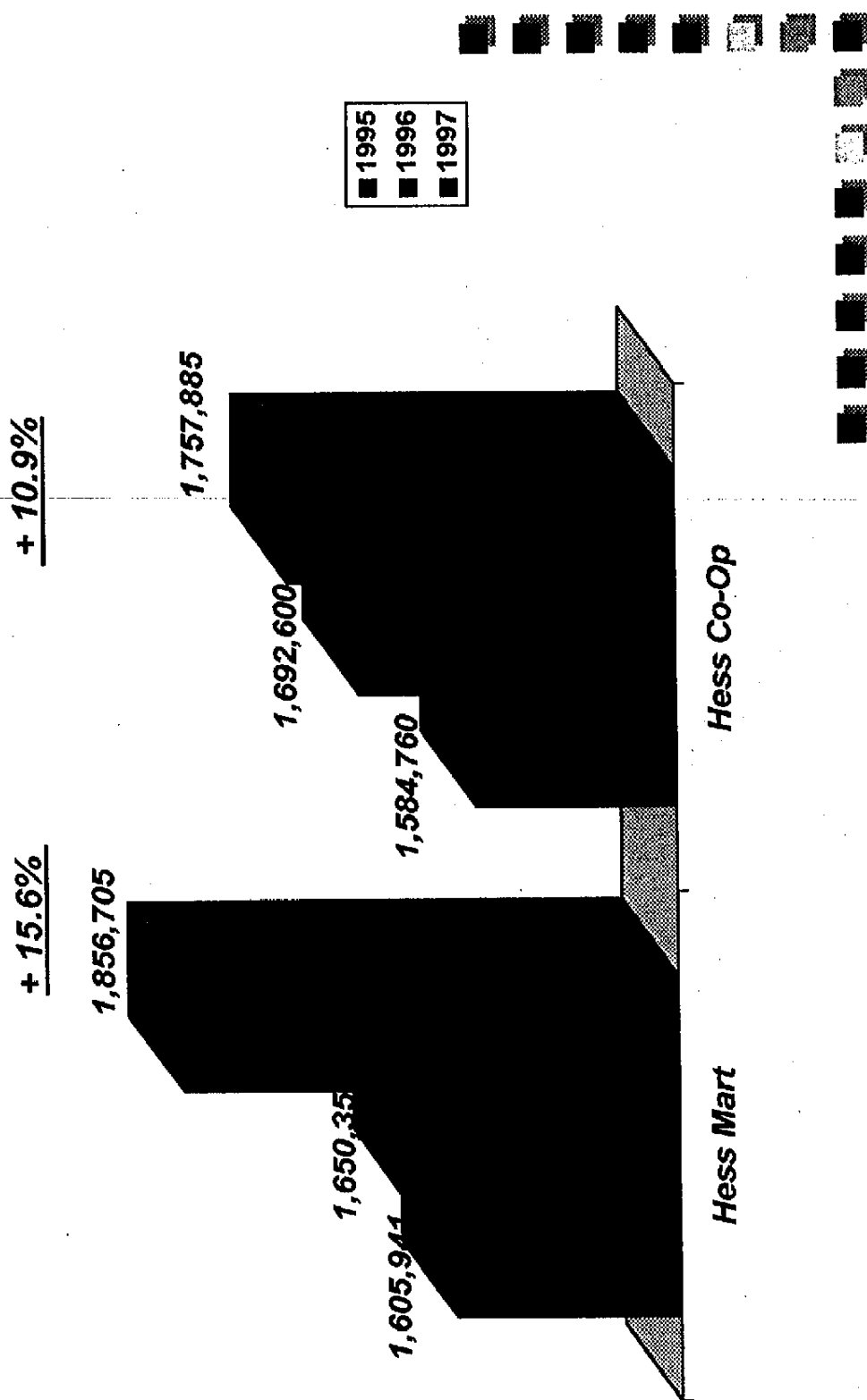
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Amerada Hess Corporation Carton Volume Comparison 1995-1997



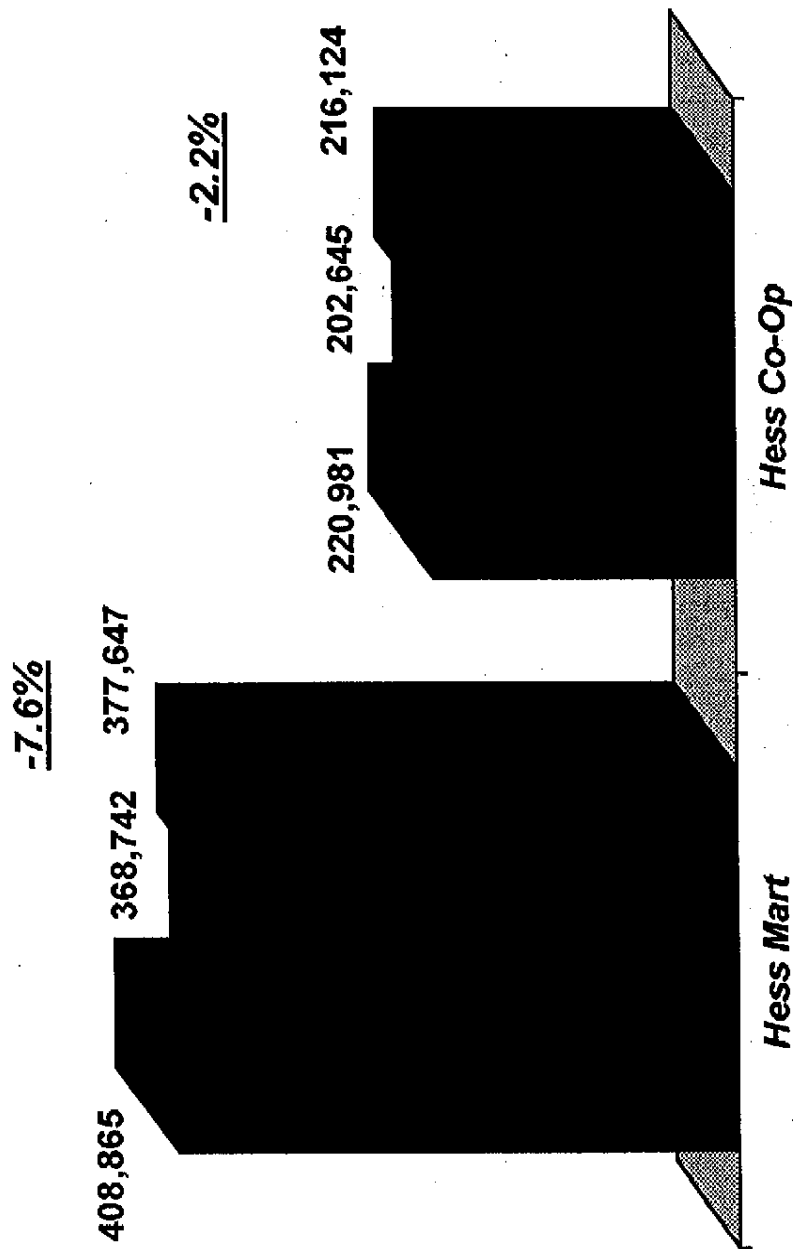
51842 9535

Amerada Hess Corporation Full Price Volume Comparison 1995-1997



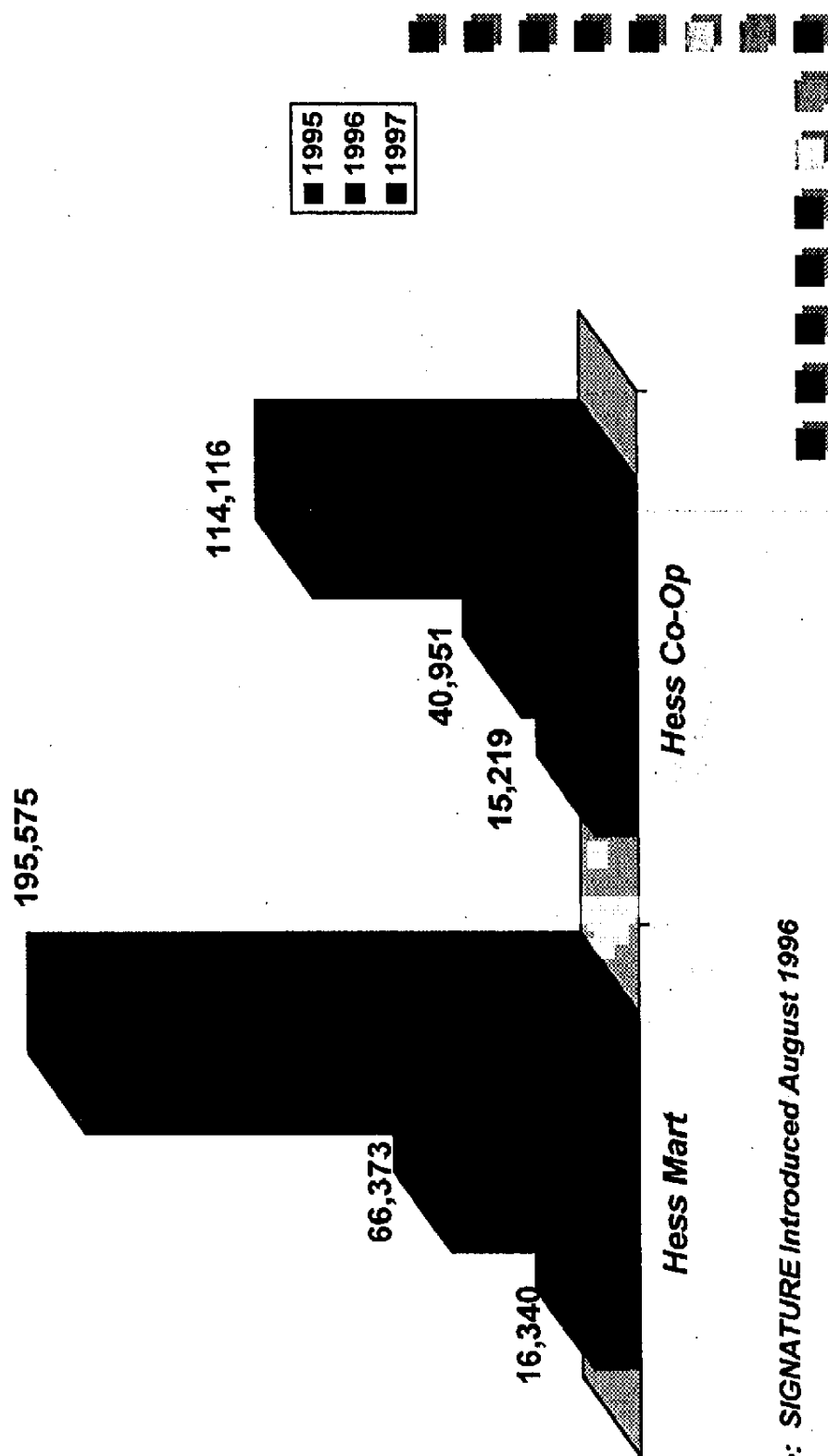
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Amerada Hess Corporation Branded Savings Volume Comparison 1995-1997



51842 9537

Amerada Hess Corporation **Private Label Volume Comparison** **1995-1997**



Note: SIGNATURE Introduced August 1996

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**Amerada Hess Corporation
Price Segment Comparison 1995-1997
Hess Mart**

Year	Full Price	Branded Savings	Private Label
1995	79%	20%	1%
1996	79%	18%	3%
1997	76%	15.5%	8.5%

51842 9539

**Amerada Hess Corporation
Price Segment Comparison 1995-1997
Hess Co-Op**

Year	Full Price	Branded Savings	Private Label
1995	87%	12%	1%
1996	87%	10%	3%
1997	84%	10%	6%

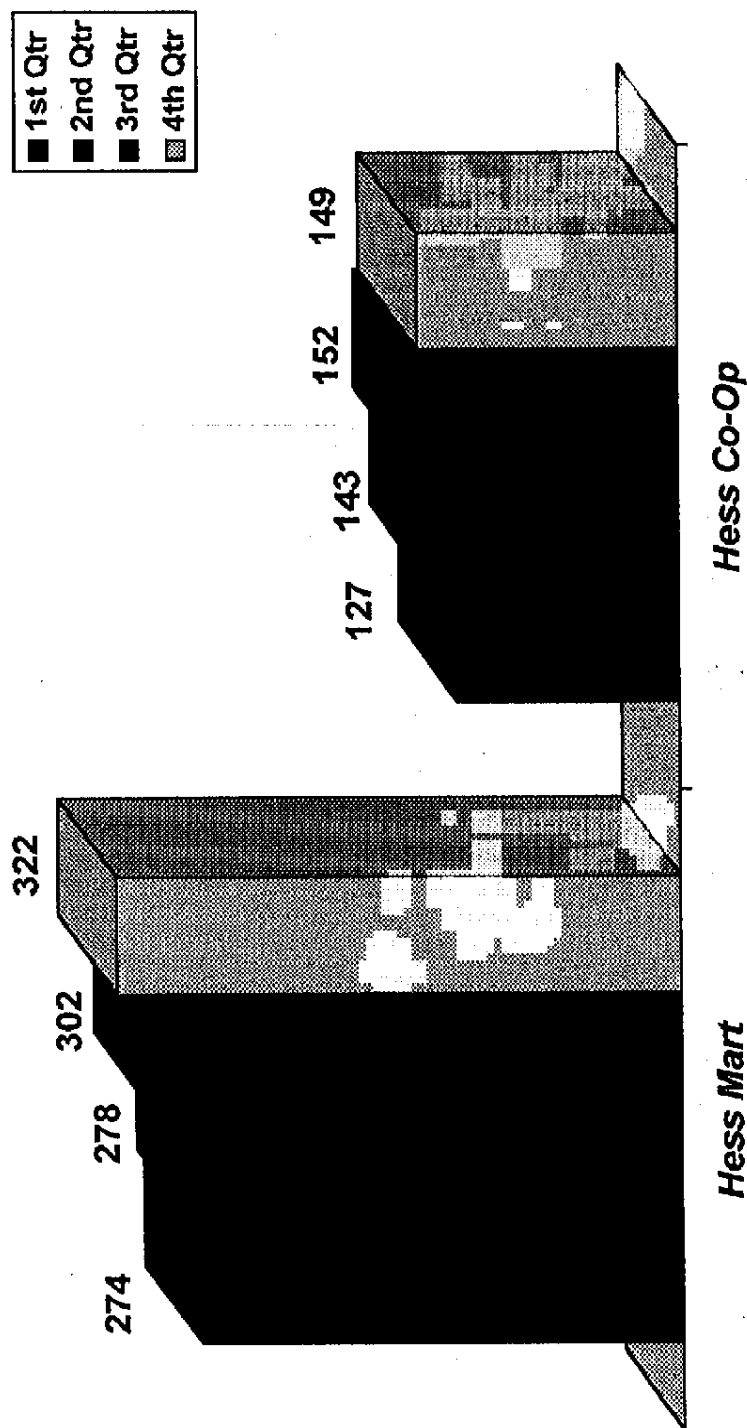
51842 9540

Amerada Hess Corporation
Price Segment Comparison 1995-1997
Hess PK

Year	Full Price	Branded Savings	Private Label
1997 Prior To Aquisition	85.5%	13%	1.5%
1997 After Aquisition	73%	16%	11%

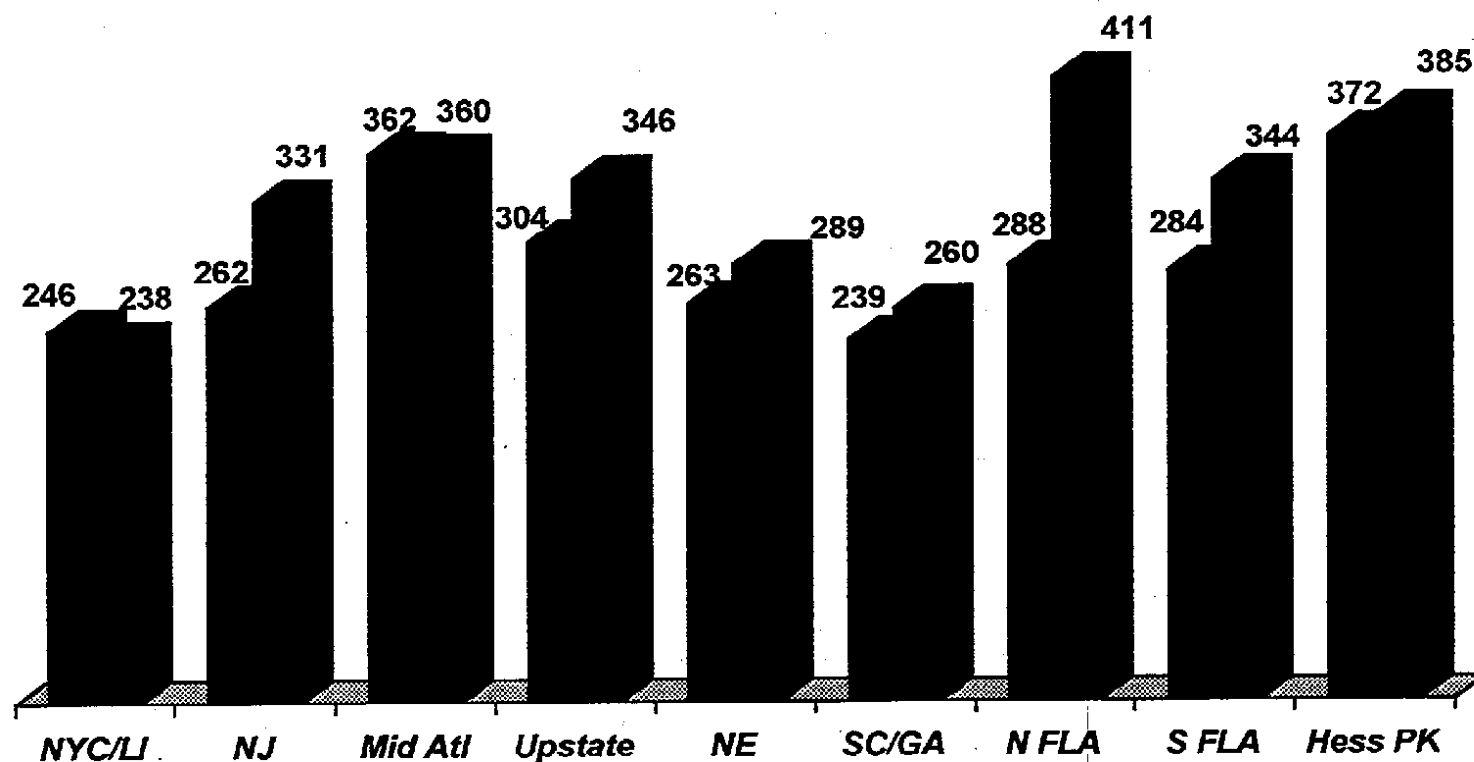
51842 9541

Amerada Hess Corporation Weekly Average Carton Performance 1st Quarter 1997 through 4th Quarter 1997



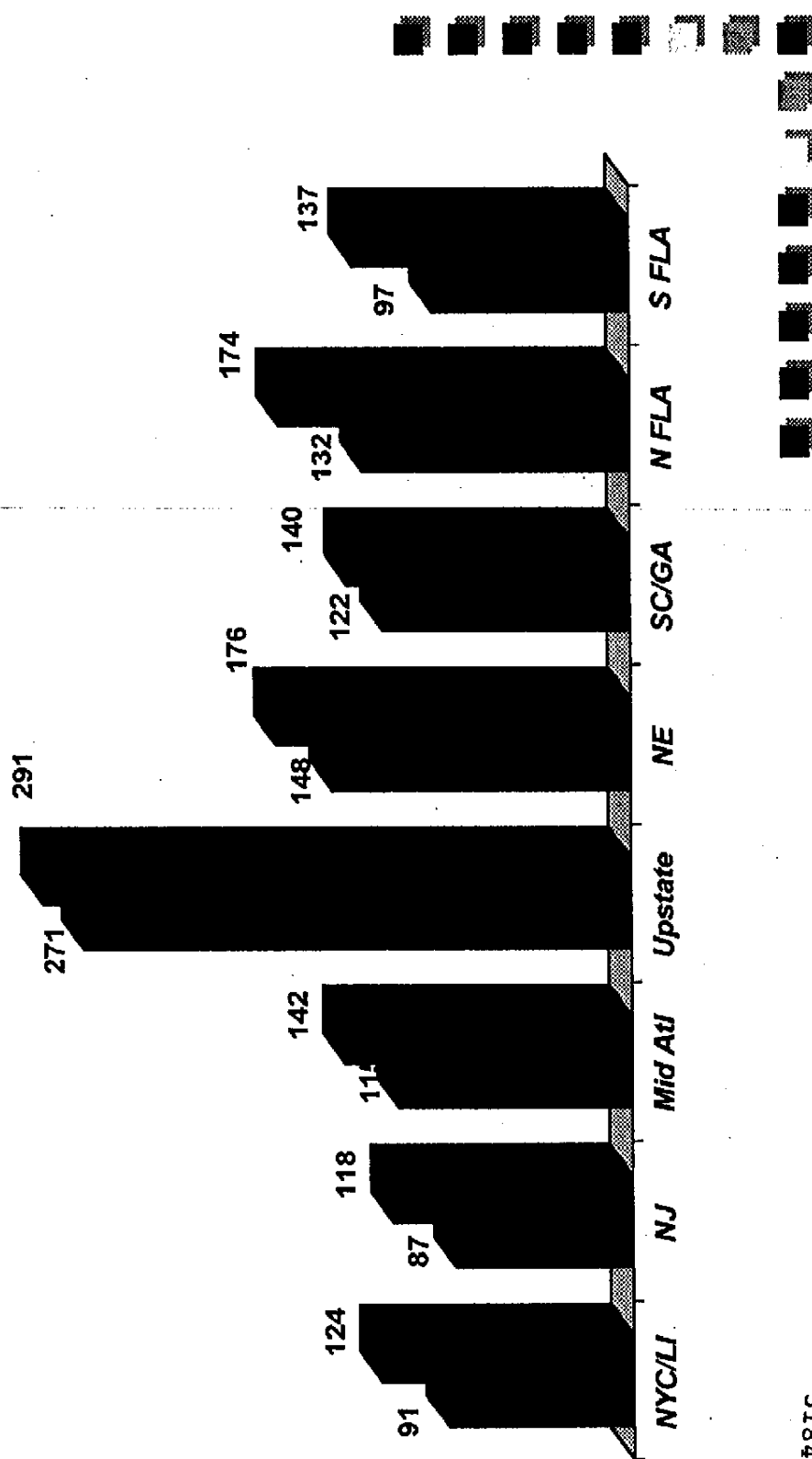
2496 24819
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*Amerada Hess Corporation
Division Cigarette Volume Performance- Marts
Average Weekly Cartons
1st Quarter 1997 Vs 4th Quarter 1997*



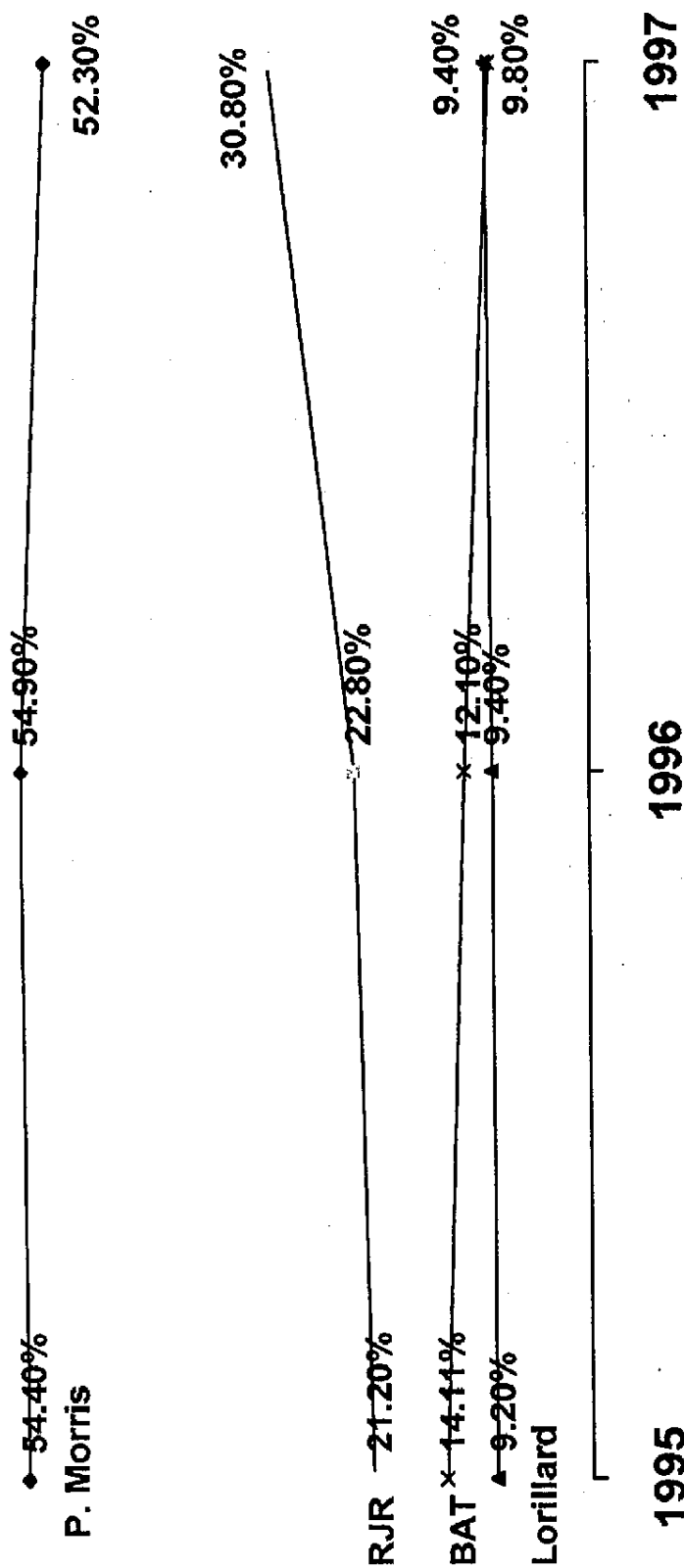
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*Amerada Hess Corporation
Division Cigarette Volume Performance- Co-Op's
Average Weekly Cartons
1st Quarter 1997 Vs 4th Quarter 1997*



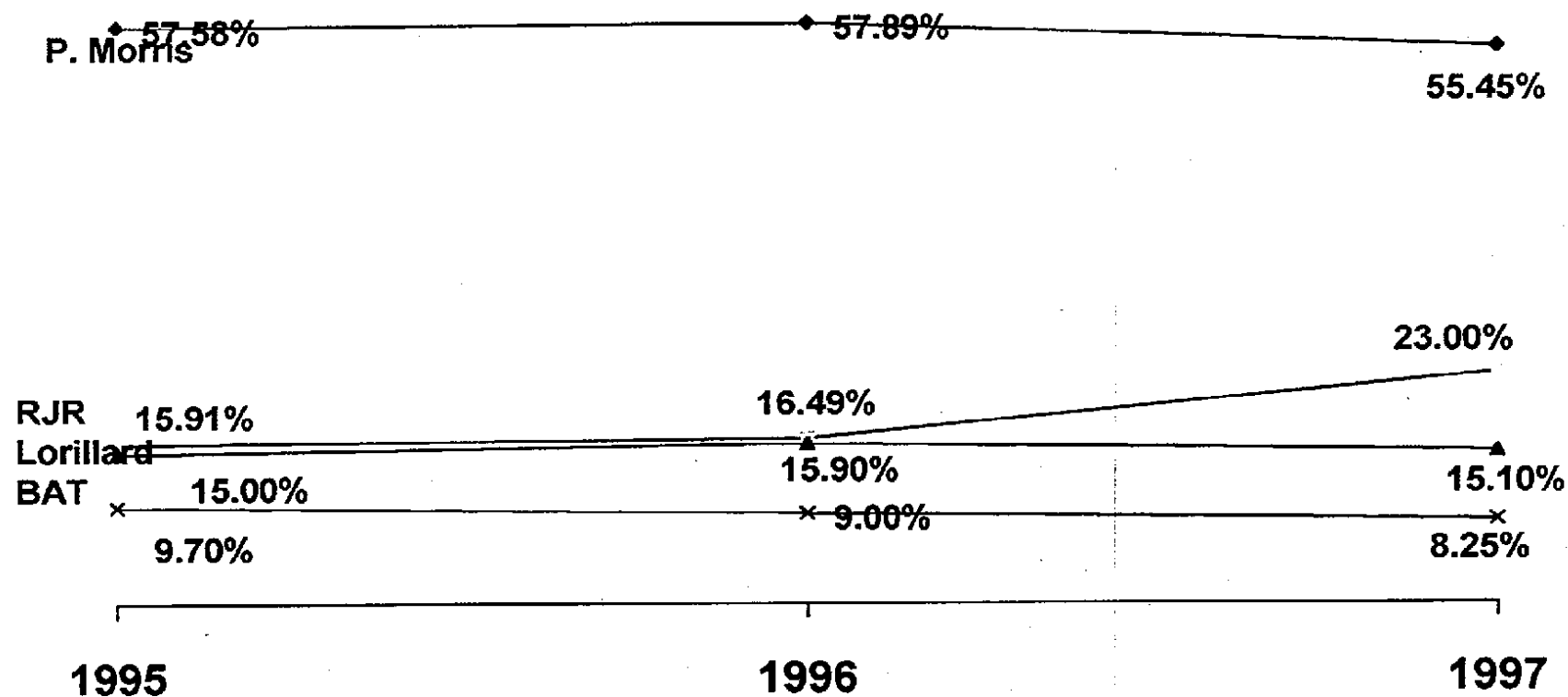
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Amerada Hess Corporation Manufacturer Share Performance 1995-1997 Hess Mart



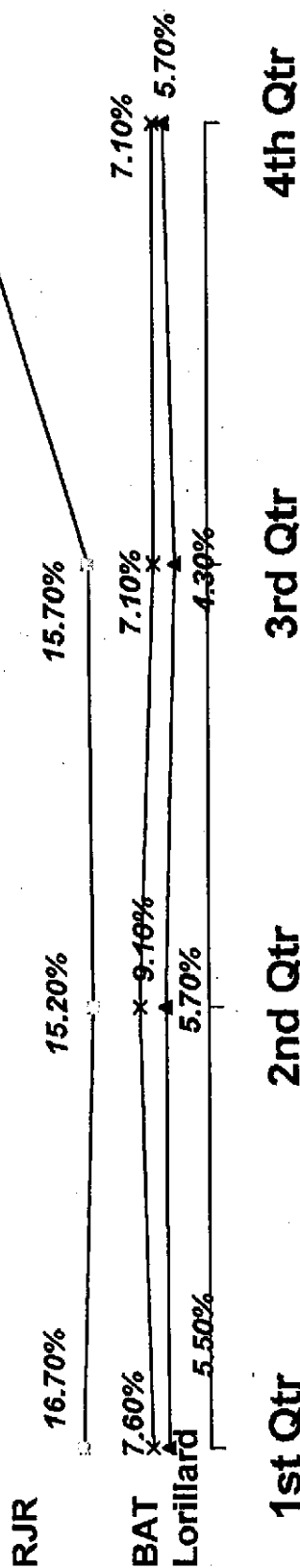
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Amerada Hess Corporation Manufacturer Share Performance 1995-1997 Hess Co-Op



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Amerada Hess Corporation Manufacturer Share Performance 1997 Hess PK



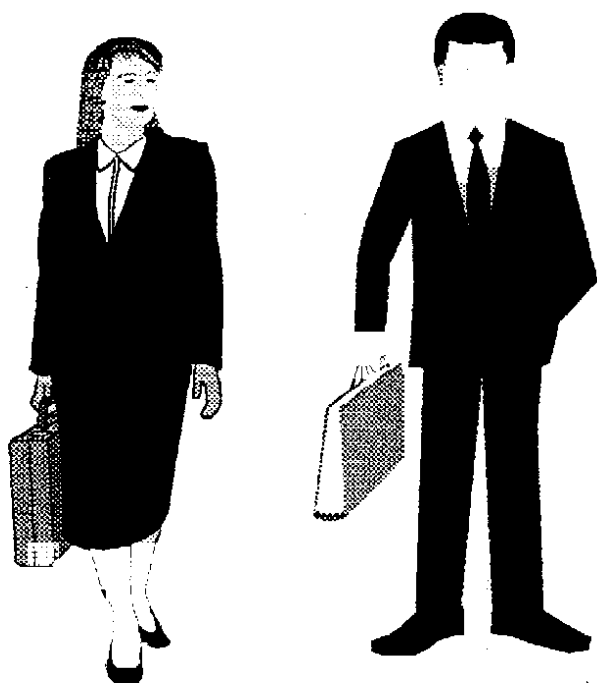
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Amerada Hess Corporation 1997 Retail Programs

	Hess Mart	Hess Co-Op	Hess PK
Retail Partners Program	\$ 434,736	\$ 205,040	\$ 96,750
Retail Accrual Program	\$ 350,091	\$ 143,516	\$ 122,099
RJR National Promotions	\$ 358,023	\$ 282,508	\$ 158,400
DORAL Promotion	\$ 231,946	\$ 96,042	\$ 120,000
Signature Accrual	\$ 110,824	\$ 67,794	\$ 129,000
Additional Special Funding	\$ 103,909	\$ 42,413	\$ 91,700
Total RJR Investment 1997	\$ 1,589,529	\$ 837,313	\$ 717,949

\$ 3,144,791

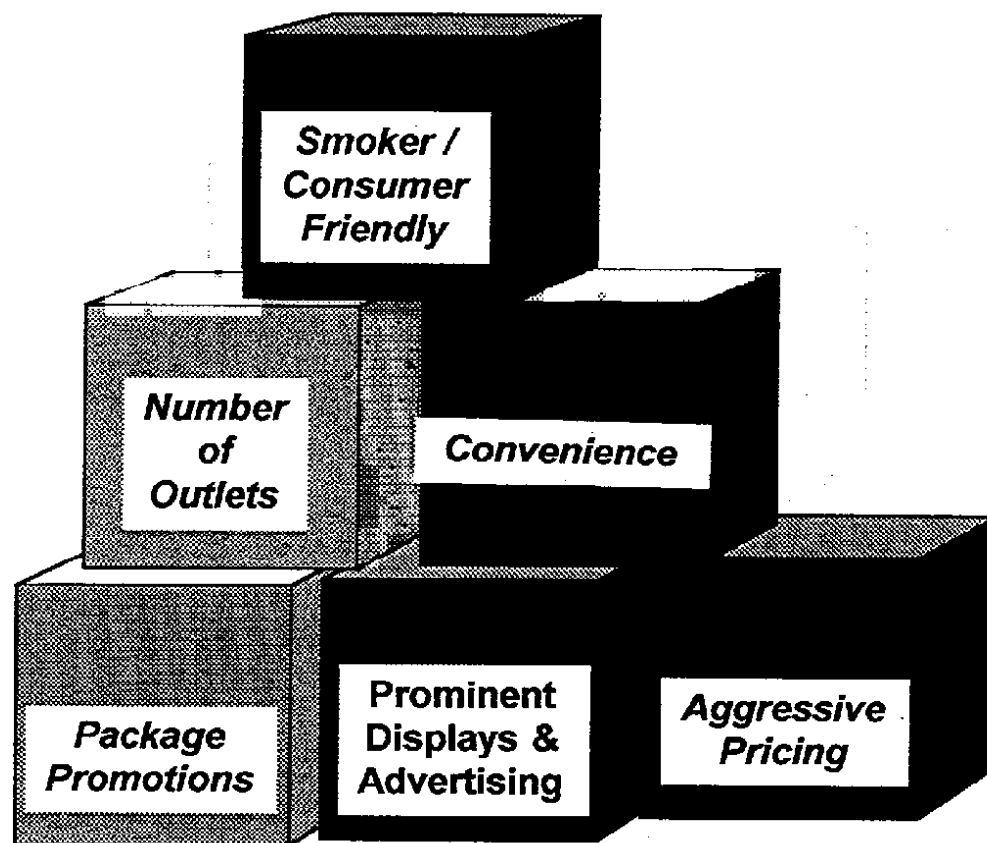
Amerada Hess Corporation RJR Field Sales Activity



- 7,336 sales calls made
- 228,771 coupons placed
- 22,455 pieces of advertising placed
- Coupon Value: \$ 218,400

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"Building Blocks" To Hess's Success 1997 & Beyond



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RJR

Discussion Points

- *Finalization of 1998 Business Plans*
- *1998 Direct Mail Program*
- *Cigarette Tobacco Store Update*
 - *Conversion of Ramsey Location to "Industry Approach"*
- *Signature PK Payment*
- *Signature Invoice Resolution*
- *Winston-Salem CTS Fixturing*
- *New World Merchandising Test*
- *July/August "Top to Top" Meeting*
- *1998 VIP Events*
- *NAPA 500 NASCAR Event*